

words—"to buy and sell in markets . . . with a view to keeping particular [systemically important prices] within particular bands thought necessary for the purposes of maintaining systemic stability."

Wow. Now, what kind of prices does Professor Omarova have in mind for the Fed to control by buying and selling these commodities? Well, she tells us. She says:

Various candidate SIPs here come to mind. . . . Certain sensitive commodity prices—those for widely used fuels, food-stuffs, and some other raw materials, for example—constitute another class of candidates. Finally, wage or salary indices constitute yet another class of candidates.

Now, here are some of the other candidates for price controls that she has in mind: "home prices," "productive inputs" such as "energy," "certain . . . metals, and other natural resources."

In other words, like all the most important commodities in America, under Professor Omarova's radical plan, it would be the government that would set these prices rather than a free market determining how these prices should be set. The government would control everything from the size of your paycheck to the amount you pay at the grocery store for a gallon of milk or a gallon of gasoline.

There is no more allocation of scarce goods based on who values them the most—the brilliance of the way that a spontaneous market allocates resources automatically to their best and highest use and enables us to have the lowest possible cost for the most possible goods. None of that. No more.

We will have a committee—it is called the Fed Open Market Committee—and they will dictate the prices that we will pay and how the resources of America will be allocated.

Now, if her radical idea sounds familiar, that is because it is familiar. It has been tried—been tried several times—repeatedly, and every single time it has failed spectacularly, time and again, in all the centrally planned economies in the world, especially the Soviet Union.

In fact, Soviet efforts to control prices in their economy were so abysmal, they failed so badly that they spawned countless jokes within the Soviet Union that illustrate the folly of central planning, the inherent impossibility of central planning.

One of my favorites is about a guy who walks into a store. He walks up to the shopkeeper and says: You don't have any meat, do you?

And the shopkeeper replies: No, we don't have any fish. It is the store next door that doesn't have any meat.

So we can laugh about these things that people living under the misery of the Soviet Union, they had a sort of gallows humor about the misery of their circumstances.

But the fact is, it was this notion that a really smart committee at the center of the government could dictate the prices and the allocation of all resources; that idea is what caused the

misery—ultimately, of course, caused the collapse of the Soviet Union.

This is what happens anywhere where governments try to control what should be left to the free men and women in terms of allocating resources. Government-run economies, like the very one that Professor Omarova is proposing—they don't work.

And let me stress a point that I have made before about Professor Omarova. The fact that she was born and raised in the Soviet Union has absolutely nothing to do with whether or not the Senate should confirm her to run a major financial agency.

There are some unbelievably wonderful, successful, patriotic, terrific American citizens who had the misfortune of growing up behind the Iron Curtain. That has nothing to do with whether or not she is qualified for this job. It is her advocacy for the policies that, in disturbing ways, resemble those of the Soviet Union—that is what should inform our judgment about whether this person should be the chief regulator of the Nation's federally chartered banks.

Now, Professor Omarova would likely argue that her centrally planned economy would be different. That is always the case. This time we will get socialism right. As her paper notes, the Fed does already use open market operations to implement monetary policy. That is true. So why not let the Fed use a similar mechanism to set and maintain stable prices for all kinds of important assets?

Well, the answer is simple: Making decisions about what individual—maybe dozens, maybe hundreds of individual assets across something as complex as our entire economy, what they should cost, how they should be allocated, that is an impossibly complex endeavor. There is no technocrat, no bureau, no committee, no agency—there is no entity that can figure that out.

It is the organic decisions, individual decisions, of millions of free people that spontaneously create the allocation that maximizes the well-being of the people of a free society.

By the way, there is a pretty strong case to be made that the government doesn't do such a great job on monetary policy either. People that we have serious doubts about how well they set the price of a single thing—namely, the U.S. dollar—do we want them directly controlling the prices of everything or at least everything that is important? I think not.

So the more I read the radical ideas that Professor Omarova has advocated for and the more I think about the damage this would do to our economy and our society, the more troubled I am by her nomination. So I strongly urge President Biden to reconsider his nomination, his decision to nominate her.

THE ECONOMY

Madam President, I have one other topic I want to address this afternoon,

and it has to do with this really extraordinary and very reckless tax-and-spending spree that our Democratic colleagues seem determined to attempt to pass.

Now, there has been a lot of focus, understandably, on the staggering size of this, right? Is this going to be the \$3.5 trillion of the budget resolution that passed here and is that a compromise from \$6 trillion that some of our Democratic colleagues preferred or 7 trillion—or will it be 1.5 or 2?

OK. I would just say that there is no doubt in my mind, wherever this ends up, if it ends up anywhere, it is going to do a lot of damage. It is going to do a lot of damage to our economy. And I think that is probably why there are significant reservations, even among Democrats, and there is not any support among any Republicans for the various iterations of this bill.

At the heart of it, what this bill does is several things, but one of them is to attempt to redefine the very role of the Federal Government in our society. And what I am referring to is the attempt to have the Federal Government provide the needs—like all kinds of basic needs, so basically anyone in the middle class—from cradle to grave. It is free pre-K, free childcare, free paid leave, free community college—oh, maybe that one got dropped. I mean, many of them aren't even means-tested. They are not meant to be means-tested. If they are, you can have many multiples of the median family income and still qualify. It is all about making the middle class dependent on government. What a terrible idea.

But I will have more to say on another occasion about the idea of putting the entire middle class on the dole. Instead, I want to focus for a minute on a particularly ill-conceived provision on the tax side of this because it has massive tax increases as part of this proposal. And one of them is the huge increase in the U.S. global minimum tax. When we did tax reform of 2017 and brought about the end of corporate inversions, among other things, we established a global minimum tax at a low rate of 10 percent.

Now, what the Biden administration is proposing is going to completely upend the tax reform of 2017. We probably all remember the big announcements about this international agreement on multinational taxation. It consists of two pillars, as you may recall.

Pillar 1 is this unprecedented change that would allow foreign countries to tax American companies based on the sales of the American companies into the foreign country. We have never had a tax policy based on that. You could tax the income of a company that is based in your country; you don't get to reach into the income of a company based in some other country.

Many of our allies and friends around the world have long wanted to grab some income tax from American companies, and American administrations

have fought it. This administration has embraced it.

It is a big revenue transfer from U.S. Treasury to the treasuries of other countries. Unsurprisingly, this feature—this pillar 1—has been a high priority for these other countries. As I say, they have long sought this source of money. That is pillar 1.

Pillar 2 is an agreement by OECD countries to impose a 15-percent minimum tax on the foreign income of their multinational countries.

Now, why was this important? Well, this is very important to the Biden administration because they want to raise the tax imposed on foreign income of U.S. multinationals, and they at least implicitly acknowledge that if foreign countries don't do likewise—if they don't have a very burdensome tax regime like we are going to create under the Biden plan—then we would be at a huge competitive disadvantage, and multinationals would have no choice but to flee the United States and many, many jobs going with them. So that is pillar 2.

Now, here is one of the big problems with this whole arrangement, this whole negotiation. As I said before, the administration has implicitly acknowledged that if the rest of the world doesn't impose this huge minimum tax on their multinationals, we would be at a huge competitive disadvantage. That is why they negotiate with us. But there is a very real possibility that some of these countries—many of them—may not implement a global minimum tax, despite the tentative agreement. And there are at least two reasons.

One is, these countries have only reluctantly agreed to pillar 2 in the first place. They didn't think this was such a great idea, but they agreed to it in return for pillar 1—right?—in return for the commitment that they would be able to grab some of the tax revenue that we normally collect.

There is a problem with that. Implementing pillar 1 requires changing the treaties—the multilateral or the bilateral tax treaties—that the United States has with these other countries. Changing the treaty requires a two-thirds vote in the Senate because under the Constitution, ratification of a treaty is subject to a two-thirds vote.

Well, guess what. I don't think there is two-thirds of the U.S. Senate prepared to vote for this tax giveaway to these other countries. So if I am right, then pillar 1 never gets implemented. If pillar 1 never gets implemented, then the sole motivation for these countries to raise their corporate global minimum tax goes away.

So I am not sure how they square this circle. And at a minimum, I would think they ought to sort this out—the administration, that is—before they just go ahead and put American companies at a huge competitive disadvantage.

By the way, even if they get their way exactly, we are going to be at a

huge competitive disadvantage. The best they could negotiate from OECD countries was a global minimum tax of 15 percent.

Their own proposal has an effective global minimum tax rate of 26 percent that we will be imposing on our own companies. That is a pretty big difference on the margin, and it creates an incentive to have your multinational headquartered somewhere other than the United States of America. That is a very bad idea.

So I think there is a very substantial risk that when the administration gets wrapped around the axle because they are finding they can't get the two-thirds majority in the Senate for us to inflict this wound on ourselves—on our own economy—well, the rest of the world is going to rethink raising their minimum tax. And yet—and yet—our Democratic colleagues seem determined to move ahead with this huge tax increase and all this spending. And who knows, maybe it passes any day now.

But let me be clear, this is a destructive tax increase. It will hurt American workers, make the United States a less competitive place to do business, whether or not the rest of the world follows suit. And so I would just urge my colleagues, don't do this damage. I don't know what people think they are fixing.

In 2019—just 1 year after the full implementation of our tax reform—we had the best economy of my lifetime. There was an end to corporate inversions. There was an economic boom. We had a record low unemployment rate—alltime record low unemployment for African Americans, Asian Americans, Hispanic Americans, women. Workforce participation rate was at multidecade highs. Wages were growing, and wages were growing fastest for the lowest income workers. Under our regulatory and tax reforms, we were narrowing the income gap and allowing Americans to create wealth and prosperity and achieve a higher standard of living.

I ask my colleagues: What was so bad about that? What is really so bad about the best economy of my lifetime—rising wages, a better standard of living, and a narrowing of the income gap? What was so bad about that that you want to throw it out the door, out the window? I don't get that. I don't get that at all.

It is not too late. Maybe we will be fortunate enough to be able to dodge this. But if we don't, a lot of families, workers, Americans of all walks of life will have a lower standard of living as a result of this very ill-conceived tax policy in the Biden administration.

With that, I yield the floor.

The PRESIDING OFFICER (Ms. SMITH). The Senator from Wisconsin.

(The remarks of Ms. BALDWIN pertaining to the introduction of S. 3022 are printed in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

The PRESIDING OFFICER. The Senator from Wyoming.

EDUCATION

Mr. BARRASSO. Madam President, I come to the floor today to talk about America's education system.

As a result of the pandemic, parents have had a front-row seat to their kids' education. Parents are now engaged with their kids' schools much more than ever before. Many parents have had to make tough decisions about a number of things during the pandemic, but especially about their children's education.

Yet parental involvement, I believe, is a good thing for kids in our schools. The more parental involvement, the better. Parents deserve a say in what their kids learn and how best to learn it.

But all across America, school boards and teachers unions and city councils have been outraged to see parents involved as they have been.

Many parents are furious right now. In many cases, they have found out their kids were spending more time on liberal ideology than they were on science or on math.

Earlier this year, the State of California proposed teaching math—hard to believe, but this is what they said—from a social justice perspective—math from a social justice perspective.

Parents, appropriately, were furious, and the proposal was not rejected completely, but just postponed until next year.

Oregon now allows students to graduate—graduate—without proving they are proficient in reading, in writing, or in math.

San Francisco schools spent the entire last year closed, yet the San Francisco school board had spare time to propose changing the name of Abraham Lincoln High School. Kids are not in school, but the school board had plenty of time to consider and propose changing the name of Abraham Lincoln High School.

Well, parents, again, were enraged and this proposal was dropped.

It is very obvious why so many parents all across the country are so angry right now. They work hard. They pay their taxes. And what they see day in and day out are Democratic politicians hurting their kids' future, getting in the way of the education that parents believe their children need.

Last week, we saw even more proof. The Department of Education published the National Assessment of Educational Progress. It comes out every 5 years. It was time. It is the Nation's report card. This year's report card shows test scores in math and in reading have plummeted. This was the first time these scores have dropped in 50 years.

The lesson is obvious: We are spending too much time away from the things that students ought to be spending their time on. We need to spend less time on ideology, more time on education of the basics—real knowledge, real skills.